



**U.S. Department of Housing and Urban Development**

Philadelphia Office  
The Wanamaker Building  
100 Penn Square East  
Philadelphia, Pennsylvania 19107-3380

February 25, 2021

Mrs. Alicia Miller-Karner  
CEDA Executive Director  
10 East Church Street  
Bethlehem, PA 18018

Dear Mrs. Miller-Karner:

RE: Northside Neighborhood Revitalization Strategy Area (NRSA)  
Program Years 2020-2024  
City of Bethlehem

We want to thank you and your staff for all you are doing to serve the CPD program needs of your community during these unprecedented times. This letter is in response to City of Bethlehem request for approval of the Northside Neighborhood Revitalization Strategy Area (NRSA). The Northside NRSA plan was part of Bethlehem's 2020 – 2024 Consolidated Plan submitted via IDIS.

The criteria for approval of a Neighborhood Revitalization Strategy Areas (NRSA) are established in HUD Notice CPD 16-16 and 24 CFR 91.215(g). In accordance with the notice, an area designated as a NRSA must meet established regulatory criteria regarding Boundaries, Demographics, Consultation, Assessment, Housing and Economic Opportunities, Performance Measurements and Leverage.

The Boundaries Criteria required the City to define a geographical area composed of a primarily residential neighborhood. All areas within the NRSA boundaries must be contiguous and the grantee must define the NRSA by identifying census tracts and block groups in which the area is located. The Northside NRSA has identified the required boundaries and the nine census groups in the geographical location.

The Demographic Criteria required the NRSA's designated area be documented as primarily residential and contain a percentage of low- and moderate- income residents that is equal to the upper quartile percentage of the jurisdiction or 70 percent, whichever is less (but may not be less than 51 percent). The Northside NRSA has been developed in response to the 2011-2015 ACS data, and includes nine block groups that range from 39.86% to 67.88% low- and moderate- income, with an average of 54.83%.

The Consultation Criteria required Bethlehem to describe how the strategy was developed in consultation with stakeholders. This involvement must be continuous from the beginning of the planning process through implementation and management of the designation period, which may not exceed five years. The Northside NRSA has shown continuous engagement with the community throughout the process and the designation of the period coincides with Bethlehem's Five-Year Consolidated Plan 2020 – 2024.

The Assessment Criteria required Bethlehem's strategy to include an assessment of housing market and economic conditions of the area, an examination of the opportunities for housing and economic improvements, and the problems likely to be encountered in pursuit of such goals. The Northside NRSA provided such comprehensive assessment of the housing market and economic opportunities. The Northside NRSA also included a comprehensive assessment of neighborhood constraints and opportunities.

The Housing and Economic Opportunities Criteria required Bethlehem to develop its strategy and implementation plans to promote the area's economic progress. Such progress must focus on activities that benefit low- and moderate-income persons by increasing affordable housing opportunities and expanding economic opportunities through activities that promote the substantial revitalization of the neighborhood. The Northside NRSA plan's "Foster Economic Vitality" section highlights the current and future economic opportunities and leveraged public and private resources to expand opportunities and housing for low- and moderate- income persons in the community.

The Performance Measurements Criteria required Bethlehem's strategy to identify the results expected to be achieved (e.g., physical improvements, social initiatives, increased affordable housing opportunities and economic progress), expressing them in terms of measurable outputs and outcomes of the CPD performance measurement framework. The Northside NRSA goals and objectives are measurable and provide specific information to show expected outputs and positive steps toward the desired ultimate outcomes of increased housing and economic opportunities for local residents.

Leverage is a critical element of neighborhood revitalization and a goal of the NRSA is to attract additional investment to the designated community. Bethlehem will be required to report on leveraged resources received and used to support the NRSA. A failure to document leverage could result in the NRSA not being renewed at the end of its five-year term. Bethlehem's Northside NRSA has identified sources of leverage in many forms in the target neighborhood.

The Performance Measurements and Reporting established for Bethlehem's NRSA goals and objectives are measurable and specific enough to show expected outputs and positive steps toward the desired ultimate outcomes of increased housing and economic opportunities for local residents. Northside NRSA actual performance information should be updated at least semi-annually in the Integrated Disbursement and Information System (IDIS) and reported in the grantee's Consolidated Annual Performance and Evaluation Report (CAPER).

It is critical for Bethlehem's Northside NRSA enter at least semi-annually activity data correctly into IDIS. Bethlehem must check the NRSA box when setting up each activity that is undertaken in support of the NRSA. Additionally, several IDIS screens and fields are associated with NRSA activities. The IDIS User Reference Manual provides guidance on the use of the screens and the completion of fields. Entering data into these IDIS fields ensures that performance measurement information is reported in the PR84 report: the "CDBG Strategy Area, CDFI, and Local Target Area Report." The PR84 report provides performance accomplishments achieved in each NRSA by program year. Absent or faulty data will diminish the ability to demonstrate that an NRSA is an effective approach for neighborhood revitalization through the targeting of CDBG and/or Section 108 loan guarantee funds.

Our office will conduct a Performance Review of Bethlehem's Northside NRSA progress at the end of each program year based upon information in Bethlehem's performance reports and, when appropriate, information from on-site monitoring. In the CAPER, Bethlehem must report on actual outputs and outcomes and provide a narrative update on the NRSA's progress regarding:

- continuing stakeholder involvement.
- activities addressing identified housing and economic opportunities.
- progress on achieving identified outcomes through reported accomplishments.
- documentation that leveraged resources were actually received and used for their intended purposes.

Our office's review of Bethlehem's performance will also include an assessment of its ability to make progress towards achieving the expected improvements; its ability to account for funds and document activities appropriately; the timely use of funds received from the Department; meeting performance measures; and the receipt of matching or leveraged funds.

If our office determines that progress towards achieving the expected improvements in the area is lagging substantially behind the projections, our office may suspend its approval of the strategy. During any period of suspension, Bethlehem will not be able to use the incentives provided under the CDBG regulations and CPD notice 16-16 for expenditures that are contingent upon an approved strategy. If Bethlehem submits and our office approves an amended strategy for the area that satisfactorily addresses the lack of performance, Bethlehem will again be able to avail itself of the authorized benefits. However, the original approved five-year term will not be reset or extended.

Because the neighborhood revitalization strategy is an element of the consolidated plan, it must be included with a jurisdiction's consolidated plan submission. When a jurisdiction makes a new consolidated plan submission in accordance with 24 CFR 91.15(b)(2), usually every five years, the grantee will submit a new or amended neighborhood revitalization strategy (which requires a separate approval from our office). This NRSA designation will, however, terminate at the end of the original five-year term period. It is optimal for an NRSA designation to run concurrent with the grantee's consolidated plan cycle. Additional information can be obtained in CPD Notice 16-16.

HUD congratulates the City of Bethlehem on its Neighborhood Revitalization Strategy Area approval, and we look forward to assisting you in accomplishing your program goals. If you have any questions or if we may be of further assistance, please contact Mr. Vaughn A. Watson Jr., Community Planning and Development Representative, at [vaughn.a.watson@hud.gov](mailto:vaughn.a.watson@hud.gov).

Sincerely,

Nadab O. Bynum, Director  
Office of Community Planning  
and Development

Enclosures

